

# Federal Communications Commission Washington, D.C. 20554

October 18, 2010

Via Electronic Mail and First-Class Mail

Tom Gerke Executive Vice Chairman CenturyLink, Inc. 100 CenturyLink Drive Monroe, LA 71203

R. Steven Davis
Senior Vice President Public Policy & Government Relations
Qwest Communications International Inc.
1801 California Street
Denver, CO 80202

Re: Applications Filed by Qwest Communications International Inc. and CenturyTel, Inc., d/b/a CenturyLink, for Assignment or Transfer of Control (WC Docket No. 10-110)

Dear Mr. Gerke and Mr. Davis:

On May 10, 2010, Qwest Communications International Inc. (Qwest) and CenturyTel, Inc. d/b/a CenturyLink (CenturyLink) filed a series of applications pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended, seeking Commission approval for various transfers of control of licenses and authorizations held by Qwest and its subsidiaries from Qwest to CenturyLink. In order for the Commission to complete its review of the applications and make the necessary public interest findings under sections 214 and 310(d), we require additional information and clarification of certain matters discussed in the applications.

Accordingly, pursuant to sections 214 and 308(b) of the Act, we request that you provide written responses and supporting documentation for each request set forth in the attached Information and Document Request and, where appropriate, amend the lead application to reflect such responses. In order to expedite consideration of your application, please respond to the following requests pertaining to this proposed transaction by **Monday, November 1**.

-

<sup>&</sup>lt;sup>1</sup> 47 U.S.C. §§ 214, 310(d).

<sup>&</sup>lt;sup>2</sup> See Qwest Communications International Inc., Transferor, and CenturyTel, Inc. d/b/a CenturyLink, Transferee, Application for Transfer of Control Under Section 214 of the Communications Act, as Amended (filed May 10, 2010) (Application); see also Applications Filed by Qwest Communications International Inc and CenturyTel, Inc. d/b/a CenturyLink for Consent to Transfer of Control, WC Docket No. 10-110, Public Notice, 25 FCC Rcd 5957 (2010).

Your responses should be filed with Marlene H. Dortch, Secretary, Federal Communications Commission, under reference number WC Docket No. 10-110. The Wireline Competition Bureau also should receive, at a minimum, two copies of all filings.<sup>3</sup>

If you have any questions regarding this matter, please contact Alex Johns at (202) 418-1167.

Sincerely,

Sharon Gillett Chief, Wireline Competition Bureau

# Attachment

Cc: Karen Brinkmann, Latham & Watkins LLP, Counsel for CenturyLink Lynn Charytan, WilmerHale, Counsel for Qwest

\_

<sup>&</sup>lt;sup>3</sup> If you submit information pursuant to the Protective Orders issued in this proceeding, you should follow the filing procedures specified therein. *Applications Filed by Qwest Communications International Inc and CenturyTel, Inc. d/b/a CenturyLink for Consent to Transfer of Control*, WC Docket No. 10-110, Protective Order, 25 FCC Rcd 5963 (2010).

# ATTACHMENT INITIAL INFORMATION AND DOCUMENT REQUEST October 18, 2010

#### I. Definitions

- 1. The terms "and" and "or" have both conjunctive and disjunctive meanings.
- 2. The term "Qwest" means Qwest Communications International Inc. and its subsidiaries.
- 3. The term "CenturyLink" means CenturyLink, Inc. and its subsidiaries.
- 4. The term "person" includes Qwest and CenturyLink, and means any actual person, corporate entity, partnership, association, joint venture, government entity, or trust.
- 5. The term "specification" means a particular numbered request for documents or other information specified in section III below.
- 6. The term "responses" means documents or other information submitted in response to a particular specification.
- 7. The term "documents" means written or graphic materials in the possession, custody, or control of the company or companies identified in the particular specification. "Documents" includes hardcopy and electronic copies of correspondence, spreadsheet and database analyses, analyses, reports, memos, and presentations created, revised, prepared for, or distributed within the company or companies identified in the particular specification.
- 8. The term "CenturyLink franchise area" means each and every geographic area within a state in which CenturyLink provides telephone exchange service or exchange access pursuant to franchise or other authority granted by a relevant government or government agency, and in which CenturyLink is the incumbent local exchange carrier as that term is used in the Telecommunications Act of 1996.
- 9. The term "Qwest franchise area" means each and every geographic area within a state in which Qwest provides telephone exchange service or exchange access pursuant to franchise or other authority granted by a relevant government or government agency, and in which Qwest is the incumbent local exchange carrier as that term is used in the Telecommunications Act of 1996.
- 10. The term "adjacent exchange area" means a CenturyLink local exchange area that borders a Qwest local exchange area.
- 11. The term "MSA" means metropolitan statistical area as defined by the U.S. Census Bureau.
- 12. The term "revenues" means billed amounts for goods or services without any allowance for uncollectibles, commissions or settlements. Revenues should *not* include settlement receipts for terminating foreign traffic billed by foreign carriers, nor any amounts corresponding to taxes levied on a company's customers by any governmental body. Revenues *should* include any pass-through charges that a company levies on customers to recover taxes, regulatory fees or other assessments placed on a company.

- 13. The term "special access" (or its equivalent, which some carriers may refer to as "private line" or by another name) means a point-to-point dedicated facility or service for the transmission of data, voice, or both.
- 14. The term "Type I" means a dedicated transmission service or facility provided wholly over a carrier's own facilities or facilities that are leased subject to a indefeasible right of use agreement (IRU), and the term "Type II" means a dedicated transmission service or facility provided in part using another carrier's facilities.

#### **II. Instructions**

- 1. Responses to this Initial Information and Document Request shall be submitted in the following manner:
  - a. Unless otherwise indicated, Qwest and CenturyLink each should respond separately to each specification.
  - b. Responses shall be complete and, unless privileged, unredacted (confidential materials should be filed in accordance with the Commission's rules). Documents shall be submitted as found in the company's files. Individual documents shall be separated from one another by a divider (such as a colored sheet of paper). An electronic mail message and any attached files shall be treated as a single document.
  - c. Qwest and CenturyLink should submit photocopies (with color photocopies where necessary to interpret the document) in lieu of original hardcopy responses.
  - d. Unless otherwise indicated, requests for data or spreadsheets should be submitted in Microsoft Excel format. Each spreadsheet should contain or be accompanied by instructions and/or documentation sufficient to describe the spreadsheet's purpose, organization, and contents.
  - e. Qwest and CenturyLink should submit electronic copies in lieu of original electronic responses. The electronic copies shall be submitted in a searchable format, formatted in Microsoft Word, PDF, or such other format as may be approved by the Wireline Competition Bureau.
  - f. Each page of the responses shall be marked with a corporate identification and consecutive document control numbers.
  - g. Responses to interrogatories and data requests shall be grouped based on the particular specification to which they are responsive.
  - h. Responses to document requests requiring a search of individuals' documents shall be grouped based on the individual from whom the documents were obtained. All documents produced should be placed in file folders. Each file folder should be labeled with corporate identification and the name of the person whose documents are in the folder; provide equivalent information for any documents provided in electronic form.
- 2. Provide a master index listing of:
  - a. each specification;
  - b. with respect to interrogatories, the corresponding consecutive document control number(s) for each response;
  - c. the name and location of all data files submitted; and
  - d. the name of the individual(s) from whom responsive documents are most likely to be submitted in response to the particular specification.
- 3. Unless otherwise specified, each request for documents is limited to documents created from October 1, 2009 to September 30, 2010, and each request for data is limited to data from October 1, 2009 through September 30, 2010.

# **III. Initial Information Request**

#### A. Special Access Services

- 4. For each MSA in which Qwest is the incumbent LEC and in which CenturyLink has facilities capable of providing Type I special access services, please provide the following information:
  - a. A map of CenturyLink's network.
  - b. For each building within the MSA in which Qwest and CenturyLink have Type I connections, provide in an Excel spreadsheet, using the format outlined in Appendix A below:
    - i. The actual SITUS address for the building (i.e., land where building is located). Each component of the address (prefix, street number, street name, city, state, 5-digit zip code, 4-digit zip code) should be entered as a separate field.
    - ii. The geocode for the building (i.e., latitude and longitude). The latitude and longitude should be entered as separate fields.
    - iii. The name of the carrier that actually owns the facility (if leased subject to an IRU).
    - iv. The number of years left to the IRU lease (if leased subject to an IRU).
    - v. The maximum capacity of your Type I connection to the building (regardless of whether you currently serve any customers in the building).
    - vi. The name of each other carrier with a Type I connection to that same building, if known, and the maximum capacity of each carrier's Type I connection.
  - c. The address of each building that CenturyLink plans to bring "on-net" within the next two years (by October 31, 2012).

#### B. OSS Issues

- 5. In their reply comments, CenturyLink and Qwest state that the merged company will "continue operating both CenturyLink and Qwest existing OSS uninterrupted for the immediate future until it completes its evaluation of the best options for all stakeholders. This is expected to take 12 months at the very least."
  - a. Please describe in detail any revisions or updates CenturyLink has made regarding (i) the estimated time that CenturyLink plans to continue to use the existing Qwest and CenturyLink systems post-merger, and (ii) the estimated time frame to complete the future OSS integration process for the proposed transaction. Please provide copies of all supporting documentation for your response, including notes, minutes, memoranda, or other documents (whether prepared internally or by outside advisors) discussing or memorializing the OSS integration planning process. Please provide updates to the Commission on a continuing basis as your plans for OSS integration continue to develop.
  - b. What plans or efforts has CenturyLink made to ensure that, post-closing, it will have sufficient trained staff to operate, maintain, and support the separate OSS that CenturyLink will need to serve all of its customers in both the legacy CenturyLink territories and the territories to be acquired from Qwest prior to completion of the future OSS integration process for the proposed transaction? Please provide copies of all supporting documentation for your response, including notes, minutes, memoranda, or other documents (whether prepared internally or by outside advisors) discussing or memorializing the OSS integration planning process. Please provide updates to the Commission on a continuing basis as your plans for OSS integration continue to develop.
- 6. In their reply comments, CenturyLink and Qwest state, "the longer term, post-merger CenturyLink is dedicated to having industry-leading OSS" and "pledges to give its CLEC customers ample and adequate notice of any future changes" to the OSS to allow for the requisite advance planning for

such changes. Please describe in detail any plans or efforts CenturyLink has made towards achieving these goals, including plans to retain and/or develop a Change Management Process, and provide all supporting documentation for your response. Provide copies of all supporting documentation for your response, including notes, minutes, memoranda, or other documents (whether prepared internally or by outside advisors) discussing or memorializing the OSS integration planning process. Please provide updates to the Commission on a continuing basis as your plans continue to develop.

# C. Public Interest Analysis

#### 7. Please provide:

- a. All documents prepared for CenturyLink or Qwest (whether prepared internally or by outside advisors) that discuss the potential for annual synergies from the proposed transaction.
  - i. Describe the steps CenturyLink will take to achieve these synergies or efficiencies; the costs the company will incur to achieve these synergies or efficiencies; the risks involved in achieving these synergies or efficiencies; the underlying assumptions for achieving these synergies or efficiencies; and the time required to achieve these synergies or efficiencies, including whether these synergies or efficiencies are primarily short-term or long-term.
  - ii. Explain whether these synergies will represent savings in fixed costs or marginal costs, and describe the assumptions underlying your response to this specification.
  - iii. In addition, explain how these savings are directly related to the proposed transaction and why these synergies or efficiencies could not be reaped by CenturyLink alone or by merging with another company.
- b. A copy of all documents and spreadsheets prepared expressly for CenturyLink (whether prepared internally or by outside advisors) that were used to prepare any response to this specification; and
- c. An explanation of what metrics or thresholds CenturyLink will use to determine whether actual experience is consistent with its model, as well as what CenturyLink's plans are to address deviations from the model.

#### 8. Please provide:

- a. An estimate of the yearly benefits, costs, and risks attributable to the merger within the first five years after closing, and an explanation of whether these benefits, costs, and risks will have a one-time or recurring effect.
- b. A detailed explanation of the underlying assumptions and the methodology used to estimate the benefits, costs, and risks attributable to the merger within the first five years after closing.
- c. Copies of all documents and spreadsheets prepared expressly for CenturyLink or Qwest (either internally or by outside advisors) that were used to prepare your response to this specification.
- 9. Provide copies of all documents prepared expressly for CenturyLink or Qwest (either internally or by outside advisors) that discuss the impact of the transaction on broadband deployment and availability in the merged entity's market areas.
- 10. Please provide a description of, and copies of all documents prepared (either internally or by outside advisors) that discuss:
  - a. Each company's existing broadband footprint, by data rate capacity, for residential customers, and for small- and medium-sized businesses, in each market area;
  - b. Any analyses of or assumptions and/or data supporting the following claims:
    - i. CenturyLink's "stronger financial position post-merger will result in more rapid deployment of broadband access and advanced broadband capabilities, such as IPTV access, for the benefit of rural customers in both CenturyLink and Qwest rural communities post-merger."

- ii. "[T]he transaction will enable customers in Qwest service areas to benefit from CenturyLink's investments, by enabling CenturyLink to deploy IPTV services to current Qwest customers more quickly than otherwise would be the case."
- iii. "[T]he transaction will improve the Applicants' ability to further invest in and deploy the broadband infrastructure needed to provide IPTV services by helping to decrease customer churn, and producing the revenues that are necessary to justify further investment in such infrastructure."
- iv. "The transaction will give post-merger CenturyLink an enhanced position in the enterprise and government broadband markets" and "will enable post merger CenturyLink to leverage Qwest's strength in providing complex communications services to large businesses and government entities . . . to provide a broader array of services to enterprise customers in CenturyLink territories."
- 11. Provide all documents cited in the Public Interest Statement and supporting declarations, as well as any data or competitive analyses relied upon in preparing those documents, grouped by declaration/Public Interest Statement.
- 12. To the extent not already being provided, provide all documents created by or for either CenturyLink or Qwest (either internally or by outside advisors) for the purpose of analyzing the effects of this transaction with respect to: competition, diversity, consumer welfare, technology, efficiencies, synergies, and profitability.

# Appendix A

Record Format for Building Overlap Data				
Field Name	Description	Type	Example	
Provider Identif	ication Data			
Provider	Provider Name	Text	CenturyLink	
ID	Sequential record number for the location	Integer	1	
<b>Building Location</b>	on			
St_address	Actual situs address of the location	Text	416 Sid Snyder Avenue	
Bldg_num	Building number of the location	Text	416	
Prefix_direction	Prefix direction of the location	Text		
Street	Street name of the location	Text	Sid Snyder	
Street_type	Street type of the location	Text	Ave	
Suffix_dir	Suffix direction of the location	Text		
City	City of the location	Text	Olympia	
State	Two-letter state postal abbreviation of the location	Text	WA	
ZIP	5-digit ZIP code (with leading zeros) of the location	Text	98504	
ZIP4	4-digit add-on code (with leading zeros) of the location	Text	0000	
Lat	Latitude to 5 decimal places	Float	47.03527	
Long	Longitude to 5 decimal places	Float	-122.90638	
Owner	Name of the carrier that actually owns the facility (if leased subject to an IRU)	Text		
Years_Left	The number of years left on the lease (if lease subject to IRU)	Integer		
CAP	The maximum capacity of your Type I connections to the building with current hardware and line cards.	Integer		
Qwest	Qwest (if Qwest has a Type I connection to the same building regardless of whether Qwest has a customer).	Text	Qwest	
Qwest_CAP	The maximum capacity of Qwest's Type I connection to the building with the current hardware and line cards	Integer	2	
Other_2	Name of third carrier with a Type I connection to the building.	Text	ABC Company	
Other_2_Cap	The maximum capacity of the third carrier's Type I connection to the building with the current hardware and line cards.	Integer	1	

Maximum Capacity Codes			
Data Rate Code	Data Rate		
1	1.5 to less than 20 Mbps		
2	20 to less than 95 Mbps		
3	95 Mbps and over		

# Building Location Record Format Details:

- 1. The submitted file should contain a header row using the mnemonics in the layout above.
- 2. The ID field is a sequential integer ranging from 1 to the total number of buildings in which both Qwest and CenturyLink have facilities. Address data fields should be space-delimited in standardized Postal Service form. See <a href="http://pe.usps.gov/cpim/ftp/pubs/Pub28/pub28.pdf">http://pe.usps.gov/cpim/ftp/pubs/Pub28/pub28.pdf</a>.
- 3. Latitude and Longitude of the geocoded address should be derived from a known geocoding platform like Bing maps, Google, Yahoo, batchgeocode.com, or other geocoding solution. Please enter values in decimal degrees with five (5) decimal places.